REMARKS

Claim Status

Claims 11-29 are pending in the present application. Claims 19-29 are newly presented. Claims 19-21 are loosely modeled after allowed claims 11-13 and claims 23-27 are loosely modeled after claims 14-18. (Of course, features and limitations from one set of claims, e.g., claims 11-13 and 14-18, should not be read into another set of claims, e.g., claims 19-21 and claims 23-27.)

Claims 14 and 15 are amended without prejudice. For example, the body of claim 14 is amended in accordance with its preamble, which is consistent with our previously intended claim scope. And claim 15 is amended by adding the word "the".

Allowed Claims

We greatly appreciate the indication in the Office Action that claims 11-13 are allowed. We respectfully submit that the application stands ready for allowance.

Statutory Subject Matter

Claims 14-18 stand rejected under 35 U.S.C. § 101 as reciting unpatentable subject matter. We respectfully disagree; and, thus, traverse these rejections.

In doing so we accept the invitation in the Office Action on page 4, lines 3-5, of providing a written explanation of how these claims provide a useful, concrete and tangible result.

The previous version of claim 14 (prior to today's amendment) recited a method of encoding a color image with an auxiliary signal. To this end, the method recited acts of providing a set of encoding values for an image sample; determining a color characteristic for the image sample based on its color values; and selectively scaling color values in the image sample based on the color characteristic.

The result of which yields encoding of an auxiliary signal in the image, as per the preamble.

(We also note that portions of the preamble are now recited in the body of claim 14: the selective scaling of color values in the image sample encodes at least a portion of the auxiliary signal in the color image in accordance with at least the encoding values.

This also provides a useful, concrete and tangible result.)

We respectfully request that these rejections be removed.

New Claims

As mentioned above new claims 19-21 are loosely modeled after allowed claims 11-13, and claims 23-27 are loosely modeled after claims 14-18. These new claims are believed allowable over the previously applied art for at least reasons respectively analogous to those noted in the September 13, 2006 Appeal Brief.

We respectfully submit that these claims stand ready for allowance.

Information Disclosure Statement

An Information Disclosure Statement is filed concurrently herewith.

Consideration of the disclosed information is respectfully requested.

Conclusion

We respectfully submit that the application is in condition for allowance. Nevertheless, the Examiner is invited to telephone the undersigned at 503-469-4685 if any questions remain.

Date: February 28, 2007

Respectfully submitted,

Customer No. 23735

DIGIMARC CORPORATION

Phone: 503-465-4685

FAX: 503-469-4777

Steven W. Stewart

Registration No. 45,133